A large number of items for exports from lndia like engineering goods, automobile ancillaries, ilectronic components, computer software and agro-marine products have been indentified and, similarly, for imports from Canada, items, like electronic technologies, sophisticated electrical components, telecommunications equipment and technologies have been ident.fied as potential areas for increasing the bilateral trade.

At the 8th Engineering Trade Fair held in February, 1989 in New Delhi more than 30 Canadian lirm$_s$ participated and brought to India a cros$_s$ section of Canada's industry and technology. The Minister of Industry, Trade and Technology, Government of Ontario, visited india on this occasion. During discussions with him, further areas for co-operation were identified for promoting trade between the two countries.

Master Plan to check soil erosion by Ganga in the districts of Murshidabad and Howrah in West Bengal

1539. SHRI CHITTA BASU: Will the Minister of WATER RESOURSES be pleased to state:

(a) whether it is a fact that the West Bengal Governmnet have recently sent a Master Plan with an estimated cost of *Rs.* 15 crore$_s$ to eheck soil erosion by Ganga in the districts of Murshidabad and Howrah in West Bengal; and

(b) if so, what action Government have taken in tbi^ regard?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) No such scheme has been received at the Centre.

(b) Doe$_s$ not arise.

Death of handloom weavers and cotton growers in Andhra Pradesh 3540. DR. YELAMANCHILI SIVAJI: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that a number of handloom weavers and cotton growers *end* their life due to hardships in Gun-to Prakasam and Krishna districts of Andhra Pradesh sometime back; if so, what steps are being taken by the Central Government to mitigate their hardships: and

(b) how much money was allotted by the Central Government to rehabilitate the handloom weavers and cotton growers who are in distress and what steps Gov-rnment have taken to augment the exports of handlooms and to maintain the preeminence of cotton, as envisaged in the textile policy of the Government of India?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRl RAFIQUE ALAM): (a) Thirty persons connected with the handloom sector are reported to have died on account of suicide, accident and natural death in Guntur, Prakasam and Krishna districts. The conditions of the handloom weavers in these districts are reported to have been adversely affected mainly by the slump in demand for lungies and other varieties of handloom cloth due to competition from producers of lungies in neighbouring States as Well as reduced demand of lungies from Burma and Bangladesh. The Central Government had deputed an officer of the Handicraft and Handlooms Export Corporation of India (HHEC) to examine the possibility of providing export avenue, of these areas. After discussions with the State Government authorities, HHEC ha$_s$ placed sample orders to the weavers ageneies in the concerned areas.

(b) The Central Government has released an amount of Rs. 60.00 lakhs as special advance for providing gainful employment to the unemployed weavers as a measure of ameliorating the distress condition$_s$ of the handloom weavers in Prakasam, and Guntur districts. Under the Centrally Sponsored Intensive *Cotton* Development Programme (ICDP) funds to the tune of Rs. 56.17 lakhs have been provided to Andhra Pradesh for the benefit of the cotton growers during the VII Five-Year Plan (1985-90).

The steps taken by Government to augment the exports of handlooms ar$_e$ setforth in the attached statement. *(See* be-

low.) As regards maintaining the preeminence of cotton as envisaged in the Textile Policy of Government of India, Government have constituted a Committee under the Chairmanship of Shri Abid Hussain, Member, Planning Commission, to review the progrss of implementation of the Textile Policy. 1985 and k> assess as to how it has affected Ihe various sector of the textile economy. The Committee is expected to make an assessment *huer-alia* whether the pre-eminent role of cotton as the main raw material of the Textile Industry has been maintained.

Statement

1. Extra quotas for certain categories of handloom garments have been obtained in the bilateral textile agreement of India with EEC and USA for the preiod 1987—91 which will increase the export possibilities in these regions.

2. Revised rates of CCS have bc:n announced effective from lst July, 1986. These rates have been announced for a period of three years and are generaly higher than before.

,

3. The number of days of pre-shipment credit has been increased from 90 days to 180 days. The rate of interest has also been reduced by 2.5 per cent.

4. Many items of raw materialjfabrics are permitted to be imported under Duty Free REP Scheme and the Import-Export Pass Book Scheme.

5. The scope of Advance Licensing and Pass Book Schemes has been widened and procedures simplified.

6. Under 100 per cent Export Oriented Units and Free Trade Zones Scheme, facilities for liberal import of capital goods and raw material^ alongwith many other concessions are given.

7. Government has been giving liberal assistance for sponsoring and funding promotional activities such as market studies, buyer-seller meets, ftarticipation in international fairs and exhibitions.

8. The agency Commision has been increased and rules for Mai ket permissici. for foreign exchange have been substatt' tially liberalised.

Losses in Rural Banks

3541. SHRI ARANGIL SREEDHARAN: Will the Minister of FINANCE be pleased to state:

(a) whether rural banks are running in loss at present;

(b) if so, what are the reasons there for; and

(c) what measures Government have taken to reduce the losses in these bank? ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FIN ANCE (SHRI EDUARDO FALEIRO): (a) NABARD have reported that out of 196 regional rural banks in the country, 151 banks increased los during th; year 1987.

(b) The main reason for the losse'-, sustaind by rgional rural banks are summarised below:—

(i) RapSI branch expansion.

(ii) Low business potential at the centres served by them.

(iii) Increase in the establishment cost due to upward revision of salary and allowances.

(iv) Overall decrease in margin duc to upward revision in the interest rates on deposits on the one hand and downward revision of lending rates on the other.

(v) Lending restricted to the weaker sections of the society,

(vi) High servicing cost per account advances.

(c) On the basis of the recommenda tions of fhe Working Group on RRBs (Kelkar Committee) following measures